

105TH CONGRESS
2D SESSION

H. R. 3222

To amend the Internal Revenue Code of 1986 to provide for tax-exempt financing of private sector highway infrastructure construction.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 12, 1998

Mr. DICKS introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to provide for tax-exempt financing of private sector highway infrastructure construction.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Highway Infrastruc-
5 ture Privatization Act”.

6 **SEC. 2. TAX-EXEMPT FINANCING OF QUALIFIED HIGHWAY**
7 **INFRASTRUCTURE CONSTRUCTION.**

8 (a) TREATMENT AS EXEMPT FACILITY BOND.—Sub-
9 section (a) of section 142 of the Internal Revenue Code
10 of 1986 (relating to exempt facility bond) is amended by

1 striking “or” at the end of paragraph (11), by striking
 2 the period at the end of paragraph (12) and inserting “,
 3 or”, and by adding at the end the following:

4 “(13) qualified highway infrastructure
 5 projects.”

6 (b) QUALIFIED HIGHWAY INFRASTRUCTURE
 7 PROJECTS.—Section 142 of such Code is amended by add-
 8 ing at the end the following:

9 “(k) QUALIFIED HIGHWAY INFRASTRUCTURE
 10 PROJECTS.—

11 “(1) IN GENERAL.—For purposes of subsection
 12 (a)(13), the term ‘qualified highway infrastructure
 13 project’ means a project—

14 “(A) for the construction or reconstruction
 15 of a highway, and

16 “(B) designated under paragraph (2) as an
 17 eligible pilot project.

18 “(2) ELIGIBLE PILOT PROJECT.—

19 “(A) IN GENERAL.—The Secretary of
 20 Transportation, in consultation with the Sec-
 21 retary of the Treasury, shall select not more
 22 than 15 highway infrastructure projects to be
 23 pilot projects eligible for tax-exempt financing.

24 “(B) ELIGIBILITY CRITERIA.—The Sec-
 25 retary of Transportation shall establish criteria

for the selection of projects under subparagraph (A), except that no project may be selected unless the project—

“(i) serves the general public;

“(ii) is necessary to evaluate the potential of the private sector’s participation in the provision of the highway infrastructure of the United States;

“(iii) is located on publicly owned rights-of-way;

“(iv) is publicly owned or the ownership of the highway constructed or reconstructed under the project reverts to the public; and

“(v) is consistent with a transportation plan developed pursuant to section 134(g) or 135(e) of title 23, United States Code.

“(3) AGGREGATE FACE AMOUNT OF TAX-EXEMPT FINANCING.—

“(A) IN GENERAL.—An issue shall not be treated as an issue described in subsection (a)(13) if the aggregate face amount of bonds issued pursuant thereto (when added to the aggregate face amount of bonds previously so

1 issued and outstanding) exceeds
2 \$15,000,000,000.

3 “(B) ALLOCATION.—The Secretary of
4 Transportation shall allocate the amount de-
5 scribed in subparagraph (A) among the eligible
6 pilot projects designated under paragraph (2).

7 “(C) REALLOCATION.—If any portion of
8 an allocation under subparagraph (B) is unused
9 on the date which is 3 years after such alloca-
10 tion, the Secretary of Transportation may re-
11 allocate such portion among the remaining eligi-
12 ble pilot projects.”

13 (c) EXEMPTION FROM GENERAL STATE VOLUME
14 CAPS.—Paragraph (3) of section 146(g) of such Code (re-
15 lating to exception for certain bonds) is amended—

16 (1) by striking “or (12)” and inserting “(12),
17 or (13)”, and

18 (2) by striking “and environmental enhance-
19 ments of hydroelectric generating facilities” and in-
20 serting “environmental enhancements of hydro-
21 electric generating facilities, and qualified highway
22 infrastructure projects”.

23 (d) REPORT.—

24 (1) IN GENERAL.—Not later than the earlier
25 of—

1 (A) one year after either one-half of the
2 projects authorized under section 142(k) of the
3 Internal Revenue Code of 1986 have been iden-
4 tified or one-half of the total bonds allowable
5 for such projects under such section have been
6 issued, or

7 (B) seven years after the date of the enact-
8 ment of this Act,

9 the Secretary of Transportation, in consultation with
10 the Secretary of the Treasury, shall submit to the
11 Committees on Finance and Environment and Pub-
12 lic Works of the Senate and the Committees on
13 Ways and Means and Transportation and Infra-
14 structure of the House of Representatives the report
15 described in paragraph (2).

16 (2) CONTENTS.—The report under paragraph
17 (1) shall evaluate the overall success of the program
18 conducted pursuant to the amendments made by this
19 Act, including—

20 (A) a description of each project,

21 (B) the extent to which such projects used
22 new technologies, construction techniques, or
23 innovative cost controls which resulted in sav-
24 ings in building the project, and

1 (C) the use and efficiency of the Federal
2 tax subsidy provided by the bond financing.

3 (e) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to bonds issued after the date of
5 the enactment of this Act.

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